



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Commerce

Division of Securities

FRANCINE A. GIANI
Executive Director

THAD LEVAR
Deputy Director

WAYNE KLEIN
Director of Securities

NEWS RELEASE

March 16, 2007

Michigan Investment Promoters Ordered to Halt Solicitations

Company claimed its investments in Chinese real estate would pay off home loans early . . .

SALT LAKE CITY, Utah – The Utah Division of Securities today ordered Rym Technology Holdings, LLC and Felix Daniel to cease and desist violating Utah’s securities laws and pay \$75,000 in fines for claiming they could earn huge profits for investors who gave them money from home equity loans. The order was entered by default after Rym and Daniel failed to file an answer or defend themselves in the state’s enforcement proceeding.

According to the Division’s order, an Arizona company called Penny Financial, Inc. promoted its “5 Years to Freedom Program.” Under this program, homeowners who borrowed equity against their home totaling at least a quarter of the value of the home would give the money to Rym and Daniel to invest. Investors were promised that after five years, the investment would have grown enough to pay off the entire amount of the home mortgage. In the process, homeowners were told their new mortgage payments during the five-year investment period would be reduced in half because Penny Financial said it would make half the monthly mortgage payments.

The order finds that investors were told the profits were “guaranteed” and there was no risk. Promoters falsely claimed the program was in the process of obtaining a patent and that the IRS and U.S. Attorney’s Office had carefully reviewed the program and approved its use. The promoters also attested to the legitimacy of Rym and Daniel, saying the money is “invested through a reputable investment firm” and that there was “nothing to lose.”

Rym and Daniel claimed the money from investors would be used to finance large real estate deals such as apartment conversions in New York and China. Rym and Daniel sent documents to potential investors, including a “payment note” and a “property maintenance agreement.” Potential investors were not given information about Rym and Daniel such as the nature of their business, their expertise, any securities licenses they held, or the success they have had with prior investors. Fortunately, the Utah resident who was solicited declined to invest.

The Order finds that Rym and Daniel misrepresented material facts to investors and failed to disclose material information when soliciting investors. Rym was ordered to pay a fine of \$25,000 by May 31. Daniel was ordered to pay a fine of \$50,000 by May 31. Both were ordered to cease and desist offering securities in Utah. Enforcement proceedings are continuing against Penny Financial and its two officers.